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1988 ANNUAL REPORT OF THE MASSACHUSETTS COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION

GOVERNMENT DOCUMENTS COLLECTION

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September 28, 1988

CEDAC
19 Temple Place, Suite 200
Boston, MA 02111

This report for the fiscal year ended June 30, 1988 is respectfully submitted to the General Court pursuant to the the requirements of Chapter 40H of the Massachusetts General Laws.

About CEDAC

The Community Economic Development Assistance Corporation, or CEDAC, is a quasi-public Massachusetts corporation that makes loans without interest and provides technical assistance to community-based nonprofit organizations. CEDAC's job is to take financial risks on behalf of nonprofit real estate developers who don't have enough capital themselves. Most of the $6 million in loan funds that CEDAC administers comes from the state's Massachusetts Housing Partnership, a major public-private venture designed to create affordable housing in the state. CEDAC's loans are repayable from a project's construction loan once the developers receive financing from a bank.

In making loans and providing technical assistance, CEDAC has three goals:

- **promoting real estate development that revitalizes chronically depressed areas,**
- **encouraging the development of affordable housing throughout Massachusetts, and**
- **strengthening the network of nonprofit community development organizations in the state.**

CEDAC's support has brought an important new actor into the production of affordable housing in Massachusetts: the nonprofit developer. Nonprofit organizations seeking CEDAC's financial or technical assistance are small and large, new and established. They come from communities across the state. They borrow for residential, commercial, and mixed-use properties.

With CEDAC loans and technical assistance, these developers are producing some of the most innovative, high-quality rental housing in the state. Other projects give low-income families the chance to buy their own homes at reduced prices. Still others create limited-equity cooperatives, which offer a middle ground between rental and home-ownership. All offer a public benefit in the form of affordable housing or rehabilitated neighborhoods, or both, and the units produced generally carry assurances that they will remain affordable well into the future.

CEDAC is governed by a Board of Directors composed of individuals from the public and private sectors who are appointed by the Governor.

CEDAC Assistance

Development Assistance - Most of CEDAC's resources are available for development assistance -- loans and technical expertise used to secure construction financing. This assistance comes in the form of three different types of interest-free loans: Technical Assistance Advances, Front Money Loans, and Site Control Loans.

Technical Assistance Advances Although a mortgage will cover fees to architects, engineers, attorneys, and development consultants, there is generally a Catch-22: Banks won't approve a mortgage without fully developed plans that require the help of all these specialists in advance. CEDAC's Technical Assistance Advances of up to $40,000 allow nonprofit developers to hire the expertise needed to secure preliminary financing commitments. Technical Assistance Advances, which are paid directly to consultants, support projects in the early conceptual stages, even before the developer gains control of the site.

Site Control Loans With market pressures reducing the supply of publicly owned property that can be developed for housing, nonprofit organizations often need to compete for privately held sites. CEDAC's Site Control Loan program offers nonprofit developers as much as $40,000 to option a property or make a down payment on a purchase and sale agreement. An immediate $2,500 advance can be made to eligible organizations to bind an option while CEDAC completes a more thorough loan review.

Front Money Loans CEDAC's Front Money Loans are available once the developers can demonstrate that they control a site and that a bank has made a preliminary commitment to finance their project. These loans, which may range up to $75,000 for large developments, can enable nonprofit developers to meet the bank's conditions for closing on the construction loan. Front Money Loans resemble Technical Assistance Advances in that all mortgageable costs are eligible, but because the projects are farther along, CEDAC will commit larger sums with fewer strings attached. By contrast with Technical Assistance Advances, Front Money Loans are paid directly to the borrower, not to the the projects' consultants.

Credit Enhancements - CEDAC also manages a credit enhancement program for the Massachusetts Housing Partnership.

Equity Financing Guarantees Unlike CEDAC's development assistance loan programs, Equity Financing Guarantees cover projects' financing needs after, not before, the closing on their construction loans. Even after the developer puts

together a strong financing proposal, a bank may still feel that a project is too risky. In such cases, if it believes the project provides compelling public benefits, CEDAC can offer a short-term loan guarantee or letter of credit of $100,000 to $300,000 for one to two years to reassure the bank that its loan will be repaid.

Statement by the Executive Director

Two years ago, when CEDAC first began to manage a $3.5 million development assistance program as part of the Massachusetts Housing Partnership (MHP), it was accompanied by an unparalleled increase in demand for assistance. At the time, we speculated that the demand would moderate. But the demand has remained high throughout the 1988 fiscal year too.

CEDAC made 86 development assistance loan commitments totaling $1.2 million during the 1988 fiscal year. These funds supported development planning for 76 affordable housing projects. If all these projects secure the needed financing, they will leverage $230 million in development and produce 4,965 units of housing.

These statistics tell a remarkable story about the emergence of non-profit organizations as a major producer of affordable housing. This is a phenomenon unique to Massachusetts: The first concrete evidence that the Commonwealth's decade of investment in non-profit organizations is paying an important dividend.

Not only have non-profit organizations become active developers, they are demonstrating that they are capable of adapting to the constant changes in the market conditions, subsidy sources and other factors that influence the character of real estate development projects.

Finally, the number and variety of organizations that have become involved in development activities continues to grow. For example, with the availability of Housing Innovation Fund (HIF) financing, many social service organizations have begun to develop transitional housing and other facilities to meet the special housing needs of their clients.

The introduction of HIF has effected CEDAC in two respects. First, it has stimulated demand for CEDAC's development assistance loans by those planning to apply for HIF funds. Second, the Executive Office of Communities and Development has contracted with CEDAC to provide underwriting services for HIF loans. In the final quarter of the fiscal year CEDAC recommended HIF loans of over $2.6 million to provide acquisition or permanent financing for 17 housing projects.

CEDAC has also established another new relationship during the fiscal year that is strengthening CEDAC's ties with yet another group of non-profit developers: organizations committed to creating live/work space for low income artists. The Massachusetts Council for the Arts and Humanities has capitalized a small loan fund at CEDAC to assist in the creation of limited equity artists' cooperatives.

The Corporation has maintained its commitment to preserving the stock of federally assisted low- and moderate-income housing. This valuable resource is threatened in some cases by physical and financial distress and by the expiration of regulatory agreements that may allow owners to convert properties to market rate housing. Much of this work was advanced with an MHP Challenge Grant from the Executive Office of Communities and Development.

Looking ahead to CEDAC's 10th anniversary year, we expect demand to continue at the same pace but in the face of more scarce subsidy sources and a less robust real estate market. These conditions will pose new challenges to CEDAC and its borrowers. While this may slow the progress of some projects, the creativity and energy that has marked the non-profit sector's development record should help maintain its continued ability to preserve and create affordable housing in the Commonwealth.

- Carl A. Sussman
Executive Director

CEDAC Program Areas:

I. Preserving Affordable Housing

In these times of scarce federal housing resources, it is at least as important to preserve the stock of affordable housing as it is to develop new units. CEDAC pioneered this strategy six years ago when it organized the Task Force on HUD Distressed Properties, a partnership of the City of Boston, the Commonwealth of Massachusetts, and the private sector, to engineer "workouts" for almost 5,000 units of federally-assisted rental housing that was threatened because of mortgage defaults.

The string of successes continued this year with the Boston Housing Authority closing on the acquisition of two valuable South End properties, with HUD's agreement to sell the 267 unit North Canal in Lowell to the Coalition for a Better Acre, and with the approaching closing on 938 units of the "Granite Properties" by 7 CDCs through the Boston Housing Partnership.

CEDAC also assisted tenants and non-profit developers trying to preserve distressed HUD projects in Boston using funds provided under contract from the City of Boston's Public Facilities Department.

CEDAC's housing preservation work received a boost this year when CEDAC received an MHP Challenge grant to refine its database of projects facing expiring use restrictions and to begin efforts to negotiate some non-profit purchases of threatened projects. Thousands of subsidized rental housing units built under federal subsidy programs are reaching their 20 year mark when owners are entitled to prepay their federally insured mortgages and convert the properties to market rate housing. In the Commonwealth's rapidly appreciating real estate market, owners see a opportunity to realize huge, and largely unexpected capital gains.

CEDAC collected information on every project in the state and has created a detailed database that has been used by municipal and state officials to plan a policy response to this impending crisis, and by non-profit developers to target properties as important candidates for their acquisition and renovation programs. As a result, Massachusetts has anticipated a problem and has implemented a program to ameliorate the impact of planned prepayments.

In all, twenty-nine thousand units located in 49 cities and towns are at risk of being converted during the next fifteen years because of expiring use restrictions.

CEDAC's staff has been deeply involved in the successful negotiation of a purchase and sale agreement by the Allston Brighton CDC and the owners of the Commonwealth Apartments and Glenville Avenue Apartments. CEDAC has also made Site Control Loans and, to cover engineering, application fees and other front money expenses, several Technical Assistance Advances to the CDC. Negotiations are underway to secure site control on a third expiring use project as well.

CEDAC Program Areas:

II. Production of Affordable Housing

Massachusetts' non-profit community development corporations (CDC's) have been partially effective in bringing to fruition some of the most difficult and complicated real estate projects undertaken in the state.

Because of their neighborhood focus, the non-profit developers target housing production to geographic and market areas ignored by conventional developers. Moreover, their commitment to long-term affordability ensures that the housing units produced by nonprofits will remain occupied by low- and moderate-income residents for the longest term possible. Even more than the numbers of units produced alone, these public benefits of non-profit development demonstrate the clear rationale for the state's considerable investments in the CDC's.

Bolstered by CEDAC's extremely flexible financing for professional services, fees, and site control, the non-profit developers can assemble the multiple sources of financing required to implement projects as varied as the Fenway Community Development Corporation's twin projects -- the SHARP assisted Kilmarnock Street Apartments containing 55 rental units and the West Fenway Apartments containing 52 low-income elderly and handicapped units -- and the Community Development Corporation of Fitchburg's Saima Hall 14 unit transitional housing project for parenting teens. The former is a new construction project, the latter, an adaptive reuse of a long-abandoned Odd Fellows Hall. Both of these projects closed on their construction loans during the 1988 fiscal year.

CEDAC Program Areas:

III. Housing for Special Needs

The large majority of non-profit development projects provide family housing opportunities, to address what has been the state's greatest numerical need. Increasingly, however, the need for and desirability of providing housing geared to special users has prompted CEDAC to make its resources available to projects which serve households with unique requirements.

Often these residents may include teenage expectant mothers, battered or abused women and their children, or recovering substance-abusers, whose common characteristic is that they need a stable, but transitional, housing environment and supportive services until they can resume living independently. Still other projects offer more permanent group homes for people with emotional and development problems.

For example, Social Justice for Women has been assisted in renovating the laundry building, a long-abandoned yet handsome, historic structure on the Dimock Community Health Center campus in Jamaica Plain. The the Expectant Mother's Residence will house 13 pregnant female offenders who are being released from penal institutions to give birth and to be treated for substance abuse. The sponsor closed on its construction loan. The Residence will be occupied before the end of the next fiscal year.

In Worcester, a social service agency has won a fund reservation of federal 202 housing funds for a 19-unit studio apartment complex for stable mentally ill clients of the Worcester Area Community Mental Health Center. CEDAC has assisted with a Technical Assistance Advance to advance their planning One of the units will house a resident manager.

Social service agencies and non-profit developers of this type of housing received a great deal of assistance this year the creation of the Housing Innovations Fund (HIF), a $30 million bond authorization enabling the Executive Office of Communities and Development (EOCD) to issue subordinated permanent mortgage finances with interest and principal payments deferred. EOCD

selected CEDAC as the underwriter for HIF loans. During the last quarter of the fiscal year alone CEDAC recommended 17 HIF loans totalling more than $2.8 million.

One recipient of an HIF loan was the Paul Sullivan Housing Trust, an arm of the Pine Street Inn in Boston. The building that will be rehabilitated into 16 permanent single room occupancy type housing units for recovering alcoholics, is located on Shawmut Avenue in Boston's South End. The Trust had also previously received CEDAC development assistance in the form of a Site Control Loan and a Technical Assistance Advance. The project's sponsor will provide supportive services to the low-income residents of the building. With the HIF commitment for the permanent financing in hand, the Trust was able to close on its construction financing.

The availability of HIF financing has generated an exciting development response from social service organizations. Hopes to start residential programs that address both housing and service needs of their clients can, in many cases for the first time, be successfully realized because this critical and unique piece of gap financing can be secured to make their projects feasible.

CEDAC Program Areas:

IV. Cooperative Housing

Limited equity cooperatives, until recently a relatively rare form of home ownership, are becoming a more common site on the affordable housing landscape. Fifteen percent of the housing units planned with CEDAC's assistance this year are slated to be owned by tenants through a cooperative corporation.

In reality, cooperatives offer a middle ground between home-ownership and rental housing which has special appeal to tenants who feel the pinch of high rents and diminishing hopes for traditional home-ownership. Unlike home-owners, low-income members of a cooperative are eligible to receive Chapter 707 rent subsidies. Furthermore, limited-equity cooperatives qualify for Housing Innovation Fund financing. As members of the cooperative, tenants are also joint owners of the property with a say over all aspects of building maintenance and management. Furthermore, like monomers, members of a cooperative can generally deduct their share of mortgage interest and property taxes on their federal and state tax returns.

Limited-equity co-ops are developed especially to create or preserve affordable housing for lower-income owners. Members of the cooperative are not allowed to sell their shares later at market rates for a big profit: The appreciation owners realize upon resale is limited by a predetermined formula. This makes housing affordable to new shareholders.

To preserve their tenancies, the residents of 11 buildings in Lower Roxbury, working with the Boston Citywide Land Trust, have signed a purchase and sale agreement with their landlord rather than risk that the properties would be sold to a developer who would convert the buildings to market rate housing. CEDAC assisted the effort by providing a Site Control Loan and two Technical Assistance Advances. The 66-unit project has already garnered 707 subsidies and HIF financing from EOCD, and additional financing from the City of Boston.

These initiatives reflect a growing comfort among residents, government agencies, and financial institutions in exploring new ownership forms that adapt to market conditions, resident preferences, and public policy objectives.

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CEDAC FY'88 Development Assistance Loans

Type of Loan Loan Fund Loan Amount

BORROWER: Homeowner's Rehab, Inc.
PROJECT: 18-20 Ware Street
LOCATION: Cambridge
DESCRIPTION: Acquisition and rehabilitation of a 56 unit rent-controlled property near Harvard Square, for operation as non profit-owned rental housing in the interim, with eventual conversion to a limited-equity cooperative.

TAA	MHP	5,500.00

BORROWER: Veteran's Benefit Clearinghouse
PROJECT: 495-505 Blue Hill Avenue, Roxbury
LOCATION: Boston
DESCRIPTION: Acquisition fr HUD and rehab of a 3-story brick structure into 30 lower- income studio, 1- and 2-bedroom apts, using the Property Disposition Section 8 program. Basement space to be renovated for VBC offices under separate financing.

TAA	PFD	6,400.00
TAA	PFD	15,000.00

BORROWER: Inquilinos Boricuas en Accion
PROJECT: 640 Tremont Street
LOCATION: Boston
DESCRIPTION: Redevelopment of the fire-damaged former Apostolic Faith Church into mixed-income ownership housing.

TAA	MHP	11,000.00

BORROWER: Cambridge And Somerville Program For Alcoholism Rehab
PROJECT: Cambridge YMCA-SRO Preservation Project
LOCATION: Cambridge
DESCRIPTION: To develop a 60-80 unit SRO for a mixed income population currently served by the YMCA. These units would replace the units lost in the YMCA redevelopment and would be an integral part of any redevelopment strategy.

TAA	MHP	3,000.00

BORROWER: Main South CDC
PROJECT: Castle St. Coop.
LOCATION: Worcester

KEY:

TAA - Technical Assistance Advance	MHP - Mass Housing Partnership
SITE - Site Control Loan	FMLF - CEDAC's Loan Fund
FML - Front Money Loan	PFD - City of Boston, PFD Contract
	MCAH - Mass Council on the Arts

DESCRIPTION: Reorganization of the governance of an existing 19-unit troubled cooperative, and refinancing to achieve completion of moderate rehab of the property.

TAA	MHP	10,000.00

BORROWER: Roxbury Action Program
PROJECT: Centre St. Equity Hsg Project
LOCATION: Boston
DESCRIPTION: RAP proposes to develop 16 units of family housing for homeownership. 25% will be affordable to families at or below 80% of median income. The balance will be moderately priced for middle income homebuyers.

TAA	MHP	6,000.00
TAA	MHP	7,500.00

BORROWER: Friends Of Project COPE
PROJECT: Chelmsford Community Residence
LOCATION: Chelmsford
DESCRIPTION:

TAA	MHP	7,500.00

BORROWER: Community Action Agency Of Somerville
PROJECT: Clarendon Hill Towers
LOCATION: Somerville
DESCRIPTION: Acquisition and preservation as lower-income housing, or a 500 unit HUD-subsidized 221 (d)(3) expiring use restriction project in Somerville.

TAA	MHP	3,000.00
TAA	MHP	4,400.00

BORROWER: Allston-Brighton CDC
PROJECT: Commonwealth/Glenville Apartments
LOCATION: Boston
DESCRIPTION: Acquisition of 2 HUD-subsidized Section 236 projects, totaling 236 units, for the purpose of preserving use as low- and moderate-income housing after expiration of HUD USE Restrictions.

TAA	MHP	5,370.00
TAA	MHP	10,000.00
TAA	MHP	19,800.00
SITE	MHP	40,000.00
TAA	MHP	50,100.00
TAG	PFD	4,430.00
TAA	PFD	10,200.00

BORROWER: Boston Aging Concerns
PROJECT: Cortes Street
LOCATION: Boston
DESCRIPTION: Substantial rehabilitation of four SRO buildings in Bay Village to preserve 42 low income single room occupancy dwelling units.

SITE	MHP	5,000.00
TAA	MHP	10,500.00

KEY:

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SITE - Site Control Loan	FMLF - CEDAC's Loan Fund
FML - Front Money Loan	PFD - City of Boston, PFD Contract
	MCAH - Mass Council on the Arts

BORROWER: Dorchester Bay EDC
PROJECT: Dorchester Bay Granite Properties
LOCATION: Boston
DESCRIPTION: Substantial rehabilitation of 135 units of multifamily rental housing, currently owned by HUD, in the Uphams Corner neighborhood of Dorchester.

TAA	MHP	26,000.00

BORROWER: Dorchester Bay EDC
PROJECT: Dorchester Buildable Lots
LOCATION: Boston
DESCRIPTION: New construction of 26 units of mixed-income for-sale housing on parcels to be acquired from the City of Boston.

TAA	MHP	6,000.00

BORROWER: Acre Triangle CDC
PROJECT: Elias Building
LOCATION: Lowell
DESCRIPTION: New construction and substantial rehabilitation of 12 low-income residential units and 5,000 square feet of commercial space.

SITE	MHP	4,000.00
TAA	MHP	5,000.00
TAA	MHP	7,500.00

BORROWER: Boston NHS
PROJECT: Erie/Ellington II
LOCATION: Boston
DESCRIPTION: New Construction of 34 affordable condominium units on vacant city-owned land, using MHFA and HOP financing.

TAA	MHP	20,000.00

BORROWER: Webster Housing For The Elderly
PROJECT: Essex Avenue
LOCATION: Glouster
DESCRIPTION: Wellspring proposes a mixture of rental housing and affordable condos. Approximately 15 - 20 can be accommodated on the present area site.

TAA	MHP	2,500.00

BORROWER: Dimock Community Health Center
PROJECT: Expectant Mother's Residence
LOCATION: Boston
DESCRIPTION: Transitional housing facility for 13 pregnant female offenders, as an alternative to incarceration.

FML	MHP	25,500.00

BORROWER: Rural Housing Improvement, Inc.
PROJECT: Fairview Village
LOCATION: Athol

KEY:

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FML - Front Money Loan	PFD - City of Boston, PFD Contract
	MCAH - Mass Council on the Arts

DESCRIPTION: New construction of 10 unit homeownership project through the HOP program.

TAA	MHP	7,800.00

BORROWER: Tenants Against Mismanagement
PROJECT: Franklin Park I & II
LOCATION: Boston
DESCRIPTION: Preservation of 373 units of deteriorated HUD-assisted rental housing that is currently in Chapter 11.

TAA	PFD	1,500.00

BORROWER: Northampton Area Community Land Trust
PROJECT: Garfield Avenue Cooperative
LOCATION: Northampton
DESCRIPTION: New construction of a twenty unit limited equity cooperative townhouse project.

TAA	MHP	1,500.00
TAA	MHP	7,500.00

BORROWER: Codman Square HDC
PROJECT: Geneva Avenue Apartments
LOCATION: Boston
DESCRIPTION: 40 units are currently occupied and the tenants have filed a class action suit against the owner because of the condition of the property.

TAA	MHP	3,400.00

BORROWER: New Housing Ventures, Inc.
PROJECT: Granite St. SHARP
LOCATION: Worcester
DESCRIPTION: Acquisition of a vacant 15-acre site and development into 2/3 low- and moderate-, and 1/3 market-rate rental housing. Subsidies to be sought include SHARP, HDAG & Ch 707 or S.8 Rental assistance. Site also requires CDAG for connection to city lines.

TAA	MHP	30,000.00

BORROWER: Concerned Tenants of Grant Manor
PROJECT: Grant Manor
LOCATION: Boston
DESCRIPTION: Acquisition of financially-distressed HUD multifamily rental housing development, and conversion to resident controlled cooperative.

TAG	PFD	5,370.00

BORROWER: South Shore HDC
PROJECT: Hanson Quadraplex
LOCATION: Hansen
DESCRIPTION: New construction of 24 units of subsidized family rental housing under Farmers Home Administration Section 515 Program

TAA	MHP	19,880.00

KEY:

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BORROWER: Riverside Cambridgeport CC
PROJECT: Hayes/Magee(King School)
LOCATION: Cambridge
DESCRIPTION: Development of five units of ownership housing.

TAA	MHP	5,000.00

BORROWER: Infill Collaborative, Inc.
PROJECT: Infill Housing
LOCATION: Boston
DESCRIPTION: Redevelopment of 17 Infill buildings on 12 scattered sites in Boston into 84 residential units: 54 condos, 20 coop units, and ten 705 units.

FML	MHP	50,000.00

BORROWER: CDC of Fitchburg
PROJECT: Institute/Cottage HOP Project
LOCATION: Fitchburg
DESCRIPTION: New construction of a thirteen unit new construction HOP condominium project.

TAA	MHP	13,000.00

BORROWER: Fenway CDC
PROJECT: Kilmarnock St. Project
LOCATION: Boston
DESCRIPTION: To demolish an under-utilized single story commercial property & replace w/a 55 unit mixed income rental and condominium multifamily structure with at least 65% of units marketed at below market rates.

FML	MHP	32,000.00

BORROWER: Four Corners DC
PROJECT: Langham Court (Parcel RE-7B)
LOCATION: Boston
DESCRIPTION: 30 units of market condominiums, 45 units of low & moderate income limited equity cooperatives, and 15 units of low income single room occupancy housing - new construction on a vacant parcel in the South End.

TAA	MHP	35,000.00
FML	MHP	64,000.00

BORROWER: Codman Square HDC
PROJECT: Lithgow/Commercial
LOCATION: Boston
DESCRIPTION: 20,000 square foot commercial new construction and renovation project, to include, but not limited to costs of conducting environmental and historic reviews.

TAA	FMLF	17,700.00

BORROWER: Codman Square HDC
PROJECT: Lithgow/Residential
LOCATION: Boston

KEY:

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DESCRIPTION: To rehabilitate the Lithgow block in Codman Square, including an historic commercial structure, into 19,000 sq. ft of retail & office space &, to construct 33 condos, half to be sold at below market prices.

SITE	MHP	17,725.33

BORROWER: Franklin County CDC
PROJECT: Loomis Farm Housing
LOCATION: Ashland
DESCRIPTION: Project involves development of 2 units of affordable hsg as part of an effort to demonstrate the viability of using native lumber to enhance affordable housing and preserving farmlands.

TAA	MHP	2,750.00

BORROWER: Lena Park CDC
PROJECT: Lorne Street
LOCATION: Boston
DESCRIPTION: To assemble a four acre site abutting the Lena Park CDC's headquarters to develop as a residential neighborhood of approximately 90 moderate income homes, including some two family structures, each with a rental unit.

TAA	MHP	18,800.00

BORROWER: Boston Citywide Land Trust
PROJECT: Lower Roxbury Tenant Coop
LOCATION: Boston
DESCRIPTION: The proposal calls for the acquisition and conversion of 66 units of privately owned rental housing into a tenant owned limited equity.

TAA	MHP	5,000.00
TAA	MHP	10,500.00
SITE	MHP	40,000.00

BORROWER: Greater Boston Community Development Corporation
PROJECT: Mill Brook Projects
LOCATION: Athol
DESCRIPTION: Acquisition and conversion to 66 units of family housing, of two mill buildings in downtown Athol using MHFA and SHARP financing, equity syndication and C.707 or Section 8 moderate rehabilitation rental assistance. The developer plans to seek RHDAL fundin

SITE	MHP	10,000.00
TAA	MHP	30,000.00

BORROWER: Mission Hill Artist Housing Corporation
PROJECT: Mission Hill Artist Hsg
LOCATION: Boston
DESCRIPTION: Acquisition of a 30,500 sf city owned lot for development of 9-12 artists' lower-income live-work cooperative studios and 3-6 market condominiums. The total number of units will be 12-18.

TAA	MCAH	15,000.00

BORROWER: New Bedford Housing for the Elderly, Inc.

KEY:

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PROJECT: New Bedford 202
LOCATION: New Bedford
DESCRIPTION: New construction of 75 units of low income elderly housing in a six story elevator building.

FML	MHP	43,000.00

BORROWER: Acre Triangle CDC
PROJECT: North Canal Apartments
LOCATION: Lowell
DESCRIPTION: Acquisition & substantial rehabilitation of 267 units of multifamily rental housing via a negotiated sale with full Section 8 rental subsidy from HUD.

TAA	MHP	6,000.00
TAA	MHP	9,000.00

BORROWER: Quincy Geneva HDC
PROJECT: Phillip Brooks School
LOCATION: Boston
DESCRIPTION: Conversion of school into coop and new townhouse construction on site.

SPOT	MHP	1,000.00
TAA	MHP	15,000.00

BORROWER: Brightwood DC
PROJECT: Presidential Apartments
LOCATION: Springfield
DESCRIPTION: Acquisition & rehab of 67 units of existing multifamily hsg in 10 bldgs, to complete redevelopment of Belle & Franklin Sts. Public resources/SHARP/Section 8 Mod Rehab & equity syndication (Historic and low-income hsg tax credits.)

TAA	MHP	9,500.00

BORROWER: Fields Corner CDC
PROJECT: Robinson Street
LOCATION: Boston
DESCRIPTION: The CDC proposes to construct a total of 12 units of mixed-income housing for homeownership

FML	MHP	19,100.00

BORROWER: Roxse Tenants Council
PROJECT: Roxse Homes
LOCATION: Boston
DESCRIPTION: Acquisition of financially-distressed multifamily residential development for conversion to resident ownership.

TAA	PFD	5,000.00

BORROWER: Miller's River Self Help Network CDC
PROJECT: Rural Village
LOCATION: Royalton
DESCRIPTION: New construction of 11-15 units of owner-built housing for low- and moderate-income families.

SPOT	MHP	400.00

KEY:

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TAA	MHP	6,380.00
SITE	MHP	15,000.00

BORROWER: CDC of Fitchburg
PROJECT: Saima Hall/Lexington St.
LOCATION: Fitchburg
DESCRIPTION: Rehabilitation of vacant, abandoned building for conversion to twelve units of transitional housing for unwed parenting teenagers.

FML	MHP	9,350.00
TAA	MHP	14,000.00

BORROWER: Paul Sullivan Housing Trust
PROJECT: Shawmut Avenue Project
LOCATION: Boston
DESCRIPTION: The project involves the acquisition, renovation & preservation of a 16 unit lodging house in the South End to provide stable permanent housing with supportive services for low income men and women.

SITE	MHP	25,000.00
TAA	MHP	5,000.00

BORROWER: Franklin County CDC
PROJECT: Shelburne-woodard Housing
LOCATION: Greenfield

DESCRIPTION: Project involves development of 10 units of affordable hsg. Two units will be rehabbed in an existing structure and 8 units of new construction will be added.

SITE	MHP	3,750.00
SITE	MHP	4,000.00

BORROWER: Family Services Of Greater Boston
PROJECT: Single Parent Housing Cooperative
LOCATION: Boston

DESCRIPTION: Family services proposes to develop 15 new construction cooperative units for mothers and their young children. On site counseling and support will be provided. Day care facilities to be provided.

TAA	MHP	5,000.00

BORROWER: Nueva Esperanza, Inc.
PROJECT: South City Housing
LOCATION: Holyoke
DESCRIPTION: Rehab 36 units in 5 bldgs and new construction of 21 units. All units in existing structure will be subsidized through C.707 Mod Rehab and S.8/C707 certificates.

TAA	MHP	6,000.00
TAA	MHP	14,500.00

KEY:

TAA - Technical Assistance Advance	MHP - Mass Housing Partnership
SITE - Site Control Loan	FMLF - CEDAC's Loan Fund
FML - Front Money Loan	PFD - City of Boston, PFD Contract
	MCAH - Mass Council on the Arts

BORROWER: Somerville Corporation
PROJECT: Southern Junior High School
LOCATION: Somerville
DESCRIPTION: New construction of approximately 42 units of housing, with a combination of rental and ownership units.

TAA	MHP	7,500.00

BORROWER: Paul Sullivan Housing Trust
PROJECT: West Concord Street
LOCATION: Boston
DESCRIPTION: The project involves the acquisition, renovation & preservation of a 16 unit lodging house in the South End to provide stable permanent housing with supportive services for low income men and women.

SITE	MHP	25,000.00
TAA	MHP	5,000.00

BORROWER: Cambridge YWCA
PROJECT: Supportive SRO Units For Women
LOCATION: Cambridge
DESCRIPTION: The exact development program is still to be determined depending on the response to the RFP from potential private developer partners. At a minimum there will be 107 SRO developer partners. 56 units potentially all 107 rehab not new construction

TAA	MHP	5,000.00

BORROWER: South Shore HDC
PROJECT: Tobey Homestead
LOCATION: Wareham
DESCRIPTION: Substantial rehabilitation of fire-damaged historic building in downtown Wareham and construction of an addition, for conversion into 20 subsidized efficiency apartments.

FML	FMLF	10,000.00

BORROWER: Townsend Elderly Residences, Inc.
PROJECT: Townsend Park House
LOCATION: Townsend
DESCRIPTION: New construction of 50 rental units of elderly and handicapped-accessible housing under the HUD Section 202 program.

TAA	MHP	450.00

BORROWER: Oak Hill CDC
PROJECT: Union Hill Tenant Association Cooperative Housing
LOCATION: Worcester
DESCRIPTION: Acquisition and rehab, by Oak Hill CDC, of three buildings for rehabilitation and conversion into a ten-unit cooperative, on behalf of the existing tenants' association. C.707 subsidies will be used in about 70 % of units.

FML	MHP	15,000.00

KEY:

TAA - Technical Assistance Advance	MHP - Mass Housing Partnership
SITE - Site Control Loan	FMLF - CEDAC's Loan Fund
FML - Front Money Loan	PFD - City of Boston, PFD Contract
	MCAH - Mass Council on the Arts

BORROWER: Boston Trailer Parks Tenants Assoc.
PROJECT: West Roxbury Mobile Home Park
LOCATION: Boston
DESCRIPTION: Acquisition of 150 unit mobile home by the residents for conversion to resident-owned facility, either as a cooperative or as condominiums.

TAA	MHP	700.00

BORROWER: Jamaica Plain NDC
PROJECT: West Walnut Park Coop
LOCATION: Boston
DESCRIPTION: Preservation and conversion of a 12 unit unit apartment building occupied by low and moderate income families into a limited equity cooperative as part of the JPNDC's scattered site coop program.

TAA	MHP	2,000.00
SITE	MHP	36,000.00

BORROWER: Chicopee Development Corporation
PROJECT: Westover Airpark Housing
LOCATION: Chicopee

DESCRIPTION: Rehabilitation and new construction of approximately 200 units of housing on parcels of land in the Westover Airpark.

TAA	MHP	7,500.00

BORROWER: Mental Health Center Hsg., Inc.
PROJECT: Worcester Ind. Living/202
LOCATION: Worcester
DESCRIPTION: Development of 19 studio sized units of housing for stable, mentally ill clients of the Worcester Area Community Mental Health Center, and one unit of housing for a resident manager.

SITE	MHP	5,000.00
TAA	MHP	20,000.00

KEY:

TAA - Technical Assistance Advance	MHP - Mass Housing Partnership
SITE - Site Control Loan	FMLF - CEDAC's Loan Fund
FML - Front Money Loan	PFD - City of Boston, PFD Contract
	MCAH - Mass Council on the Arts

FINANCIAL STATEMENTS

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION

JUNE 30, 1988

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DRAFT

John F. Kade
CERTIFIED PUBLIC ACCOUNTANT

Old Path Village
965 Concord Street
Framingham, MA 01701
(617) 872-6803

Board of Directors
Community Economic Development Assistance Corporation
Boston, Massachusetts

I have compiled the accompanying balance sheet of Community Economic Development Assistance Corporation as of June 30, 1988, and the related statements of support, revenue and expenses and changes in fund balances and functional expenses for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

John F. Kade CPA

DRAFT

September 23, 1988
Framingham, Massachusetts

COMMUNI
BALANCE
June 30

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MA

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COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION
BALANCE SHEET
June 30, 1988

ASSETS

	GENERAL FUND	CAPITAL FUND	LOAN FUNDS
CURRENT ASSETS			
Cash	$ 17,606	$ 0	$ 3,875,212
Cash-deferred compensation	8,866		
Due from funding source	101,942		
Due from loan funds	4,695		
Accrued interest receivable			3,955
Prepaid expenses	6,200		
TOTAL CURRENT ASSETS	139,309	0	3,879,167
PROPERTY AND EQUIPMENT			
Office equipment and fixtures		58,139	
Less allowance for depreciation		15,836	
	0	42,303	0
OTHER ASSETS			
Security deposit	5,606		
Loans receivable (notes D and E)			1,274,792
	5,606		1,274,792
	$ 144,915	$ 42,303	$ 5,153,959

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES			
Deferred compensation payable	$ 6,723	$ 0	$ 0
Accrued expenses and withholdings	15,888		
Unliquidated obligations	5,360		
Accrued vacation payable	12,728		
Due to general fund			4,695
TOTAL CURRENT LIABILITIES	40,699		4,695
FUND BALANCES			
General fund			
Unrestricted	96,716		
Restricted (Note C)	7,500		
Capital fund		42,303	
FML loan fund (Note D)			330,024
MHP loan fund (Note E)			2,690,045
EFG loan fund (Note F)			2,067,200
MA ARTS loan fund (Note G)			61,995
	104,216	42,303	5,149,264
	$ 144,915	$ 42,303	$ 5,153,959

See accompanying notes and accountant's compilation report.

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COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION
STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES
Year ended June 30, 1988

	GENERAL FUND	CAPITAL FUND	FML LOAN FUND	MHP LOAN FUND	EFG LOAN FUND	MA ARTS LOAN FUND	TOTAL ALL FUNDS
PUBLIC SUPPORT AND REVENUE							
Public support							
Grants and contracts	$ 328,237	$ 0	$ 0	$1,000,000	$2,000,000	$ 65,000	$3,393,237
Revenue							
Recapture revenue	10,840						10,840
Revenue from deobligations	1,571						1,571
Fee income					7,860		7,860
Interest income	6,294		11,053	107,587	131,840	1,995	258,769
	18,705	0	11,053	107,587	139,700	1,995	279,040
TOTAL PUBLIC SUPPORT AND REVENUE	346,942	0	11,053	1,107,587	2,139,700	66,995	3,672,277
FUNCTIONAL EXPENSES	428,173	7,164	195	15,000			450,532
Excess (deficit) of public support and revenue over expenses before intrafund transfers	(81,231)	(7,164)	10,858	1,092,587	2,139,700	66,995	3,221,745
INTRAFUND TRANSFERS							
Interest transferred to general fund	150,000			(77,500)	(72,500)		0
Transfer to capital fund	(38,770)	38,770					0
Corpus transferred to general fund	5,000					(5,000)	0
EXCESS (DEFICIT) OF PUBLIC SUPPORT AND REVENUE OVER EXPENSES	34,999	31,606	10,858	1,015,087	2,067,200	61,995	3,221,745
Fund balances at July 1, 1987	69,217	10,697	319,166	1,674,958	0	0	2,074,038
FUND BALANCES AT JUNE 30, 1988	$ 104,216	$ 42,303	$ 330,024	$2,690,045	$2,067,200	$ 61,995	$5,295,783

See accompanying notes and accountant's compilation report.

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COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 1988

	GENERAL FUND	CAPITAL FUND	FML LOAN FUND	MHP LOAN FUND	EFG LOAN FUND	MA ARTS LOAN FUND	TOTAL ALL FUNDS
Salaries and wages	$ 209,226	$ 0	$ 0	$ 0	$ 0	$ 0	$ 209,226
Consulting services	50,222			15,000			65,222
Employee benefits	55,943						55,943
Legal	23,192		195				23,387
Rent	15,739						15,739
Printing	13,458						13,458
Accounting and audit	12,349						12,349
Telephone	7,512						7,512
Depreciation		7,164					7,164
Office supplies	6,054						6,054
Travel	5,410						5,410
Relocation expenses	5,060						5,060
Temporary help	3,814						3,814
Advertising	3,562						3,562
Insurance	3,358						3,358
Postage	3,279						3,279
Maintenance and repairs	3,265						3,265
Dues and registration fees	2,447						2,447
Miscellaneous	1,219						1,219
Utilities	1,203						1,203
Janitorial	658						658
Staff development	550						550
Publications and subscriptions	349						349
Equipment rental	304						304
	$ 428,173	$ 7,164	$ 195	$ 15,000	$ 0	$ 0	$ 450,532

See accompanying notes and accountant's compilation report.

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COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 1988

NOTE A - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION - Community Economic Development Assistance Corporation (CEDAC) provides technical assistance to non-profit community-based organizations in economically depressed areas of the Commonwealth of Massachusetts.

BASIS OF ACCOUNTING - CEDAC uses the accrual basis method of accounting. Revenue is recognized when it is realized and expenses are recognized when incurred, without regard to the time of receipt or payment.

CONTRACTS - CEDAC has contracts from various grantor agencies which had all been treated as cost reimbursable contracts in previous years. This was done for the purposes of accounting continuity and due to the uncertainty of the collectibility of total contract amounts. For years ending June 30, 1984 and thereafter, the uncertainties previously mentioned have been resolved and amounts due from grantor agencies on both non cost reimbursable contracts and cost reimbursable contracts are reflected in the balance sheet as "Due from funding sources".

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost and are accounted for in the capital fund. These assets are being depreciated over their estimated useful lives which vary from five to eight years.

NOTE B - DEFERRED COMPENSATION

Community Economic Development Assistance Corporation is considered an independent state agency and, therefore, is not required by law to pay social security taxes. CEDAC thus established the deferred compensation plan as a fringe benefit, whereby each pay period 7% of each employee's gross wages are deposited into a separate cash account. At each employee's anniversary date of employment, the employee has the option of withdrawing the entire amount accumulated in their name to that point or transferring the entire amount into a separate deferred compensation account to which employees make voluntary contributions.

DRAFT

COMMISSIONER OF DEEDS
NOTARY PUBLIC
Jurat

NOTARIAL ACT

The following is a notarial act which is acceptable for recording in the Office of the Register of the City of New York, pursuant to Section 309-a of the Real Property Law. The certificate of the County Clerk and the signature of the notary public need not be typewritten or printed but may be written in legible cursive handwriting.

NOTARIAL ACT

CERTIFICATE OF ACKNOWLEDGMENT
State of New York, County of ss.:
On the day of in the year before me, the undersigned, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

CERTIFICATE OF ACKNOWLEDGMENT
State of New York, County of ss.:
On the day of in the year before me, the undersigned, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Signature and office of individual taking acknowledgment

Where the acknowledgment is taken by a notary public, the notary public must write his name as it appears on his official seal, the county in which he qualified and the date his commission expires.

NOTE C - RESTRICTED GENERAL FUND BALANCE

The restricted fund balance represents funds repaid to CEDAC in accordance with recapture agreements on successfully completed projects. It is the policy of CEDAC to set aside these funds to be used for related program purposes. CEDAC is seeking the consent of the original grantor in determining the specific re-use of these funds.

NOTE D - FML LOAN FUND

CEDAC has secured an inital capitalization of $300,000 to establish the Front Money Loan Fund from the Executive Office of Communities and Development. The Front Money Loan Fund is to be used to loan amounts not to exceed $40,000 per project to assist CEDAC-eligible nonprofit organizations in covering front costs once they have obtained site control and preliminary financing commitments for the construction or rehabilitation of residential, commercial, and industrial real estate.

Front Money Loans will take the form of an unsecured promissory note between CEDAC and the borrower. Loans shall bear no interest rate until the scheduled due date of the loan, generally the construction loan closing date of the project.

Since front money represents a high risk financial commitment without assurance of the project's success, it is anticipated that a certain percentage of such loans will become uncollectible. Once an experience rate has been established, a bad debt reserve will be provided to reflect potential losses. As of June 30, 1988, no provision has been made.

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COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 1988

NOTE E - MHP LOAN FUND

CEDAC has secured an initial capitalization of $2,700,000 to establish the MHP Loan Fund from the Executive Office of Communities and Development (EOCD) with funding derived from the Massachusetts Housing Partnership Fund Board (MHP). The MHP Loan Fund is to be used to provide site option loans, technical assistance advances and front money loans to non-profit organizations operating in locations designated as MHP partnership communities. In order to be eligible for such a loan, the project must result in construction or rehabilitation of affordable housing.

MHP loans will take the form of unsecured promissory notes between CEDAC and the borrower. Loans shall bear no interest rate until the scheduled due date of the loan, generally the construction loan closing date of the project.

NOTE F - EFG LOAN FUND

CEDAC has secured an initial capitalization of $2,000,000 to establish the EFG Loan Fund from the Executive Office of Communities and Development (EOCD) with funding derived from the Massachusetts Housing Partnership Fund Board. The EFG Loan Fund is to be used to for the purpose of securing guarantees, letters of credit and other similar documents with respect to loans to eligible oganizations.

NOTE G - MA ARTS LOAN FUND

CEDAC has secured an initial capitalization of $65,000 to establish the MA ARTS Loan Fund from the Council on the Arts and Humanities. The MA ARTS Loan Fund is to be used to assist groups of artists and other non-profit developers in undertaking real estate projects throughout the State to provide permanent, affordable live/work or work studio space. This technical assistance program shall be administered in conformance with CEDAC's existing guidelines for the Spot Technical Assistance, Site Control Loan, Technical Assistance Advances and Front Money Loan Programs.

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